



## CITY OF ORONO

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Long Lake City Council  
City of Long Lake  
450 Virginia Avenue, PO Box 606  
Long Lake, MN 55356.

May 23, 2022

**RE: Long Lake Fire Department**

Members of the Long Lake City Council,

We have received your letter, dated May 17<sup>th</sup>, 2022, and offer the following as our written response.

Per our letter of April 13<sup>th</sup>, 2021, the City of Orono is exercising its rights as outlined in the relevant fire service and joint ownership contracts to end said contracts at the end of 2025. This action came after correspondence and discussion over the management of the fire department between the two cities dating back to 2016.

The City of Orono continues to hold that it is in the best interest of Orono taxpayers that the city owns and directly manages the fire and emergency services that serve our citizens. It is not fiscally responsible for the city to continue to fund 80%+ of an organization that it does not manage. Ownership will allow Orono to provide the necessary oversight to ensure fiscally responsible long-term resourcing of the emergency service organization and equipment to meet our community's needs.

The City of Orono continues to hold the members of the Long Lake Fire Department in the highest esteem. They provide both our communities with professionalism, honor, and selfless service. It is our fervent hope and desire that we can conclude this transition process with as little disruption to the firefighters as possible and with the goal of ensuring that in the future they are adequately equipped, resourced, and supported to provide critical emergency services to our communities.

The City of Orono's preferred path forward is to come to an agreement with Long Lake on the full transfer of the Long Lake Fire Department to Orono. We believe this path to be the least disruptive to the department and the communities served. We request the Long Lake Council agree to resume discussion/negotiation with us to that end. We offer Exhibit A as an answer to your questions and consolidate the previous offers we have attempted to negotiate.

If the two cities cannot come to an agreement on the transfer of the department by August 1<sup>st</sup>, 2022, Orono will be forced to move on and start executing our plan B which is to build our own Fire Department from scratch. With current equipment procurement timelines, we will need to commit to procuring the items we do not already own and recruiting personnel to be ready to assume responsibility by January 1<sup>st</sup>, 2026. We will then need to work together to decide what to do with all the jointly owned assets at some point in the future.

We close this letter by reiterating our desire to engage in discussion and negotiation with you on the transfer of the Fire Department. Please direct your negotiation team to reach out to Mayor Walsh, our appointed lead for negotiation as soon as possible.

This was reviewed and approved by the Orono City Council and Mayor at our meeting on May 23<sup>rd</sup>, 2022

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Walsh", followed by a period.

Dennis Walsh

Mayor

City of Orono

## **EXHIBIT A**

### Financial and Other Terms Questions for Orono's Proposed Purchase of LLFD Assets (Please provide detailed and specific answers to each of the following inquiries.)

#### **Responses in Blue.**

1. If a sale of the LLFD were to occur, what would the proposed organizational structure look like? What would happen to current LLFD employees?  
It is Orono's intent to offer a place for all the current firefighters in the new organization (volunteers + chief.) Orono would own the Fire Department and Long Lake could choose to be a city that we provide services to. (Contract City)
2. Does Orono desire to purchase all assets of the LLFD? If less than all, designate those to be purchased in your proposal.  
Yes, Orono would propose to purchase all functioning mission-critical assets.
3. What is Orono's proposed purchase price for Station 1?  
Orono proposes to pay 50% of the appraised value of the Station. Per the appraisal dated December 10, 2021, that value is \$ 850,000. As of the writing of this memo, we are still waiting to hear the results of Long Lake's appraisal.
4. What is Orono's proposed purchase price for the LLFD Pension Plan?  
The LLFD Pension Plan is not owned by the city. It is an asset of the Fire Relief Association with the city guaranteeing the fund. We propose to move the pension plan over as is. Orono will assume responsibility for guaranteeing the fund. All members will retain benefits and vesting as they do now. We've had discussions with the state and have been assured this will be a straightforward process.
5. What is Orono's proposed purchase price for all previously purchased assets of the LLFD (e.g. vehicles, equipment, furniture, gear, etc.)?  
\$ 338,250.40 (As of 2021; will be adjusted for recent vehicle and SCBA replacements)
6. What is Orono's proposed purchase price for those items previously donated to the City of Long Lake for use by the LLFD (Those items owned 100% by Long Lake, e.g. Polaris 6 x 6, B11 fireboat, etc.)?  
Orono will accept the transfer of ownership of those donated items for the Fire department to ensure their continued use as the donors intended. They are part of the previously spelled-out equipment spreadsheet.
7. How does Orono propose to make payment to Long Lake? (i.e. Cash payment? In-kind services? Both?) If something other than a cash payment for all purchased assets is proposed, provide specific details as to what in-kind services are offered and for what duration.  
Cash Payment. From our previous discussion and correspondence, we understand that Long Lake is not interested in an in-kind service arrangement.
8. If Long Lake were to agree to sell LLFD assets to Orono, when do you propose this would take place? Outline your proposed transition plan.  
Upon written agreement. With the agreement in June of 2022, we believe the transition could be complete/effective by January of 2023.
9. If a sale of the LLFD were to occur, what would it be called going forward (i.e. Would Orono retain



the LLFD name or change it)?

The name could remain Long Lake Fire – operated by the City of Orono if Orono is providing fire services to the City of Long Lake.

10. If a sale of the LLFD were to occur, and Long Lake was to receive services in some form from it while under Orono's control, would the Fire Advisory Board be retained? Would Long Lake have a voice on that Board similar to the one Orono has under the present model?

Orono's intent is to enter a fee-for-service contract with the municipalities currently served (Long Lake, Medina, and Minnetonka Beach). The form would be similar to our Police Contracts. A Fire commission would be established similar to the Police Commission for the Department to engage and communicate with leadership from contracted cities.

11. If Long Lake was to receive fire service from Orono, what would be the cost of that service to Long Lake, short and long term? What ownership interest would Long Lake have in fire department assets purchased after the proposed transfer of ownership (i.e. Would the cities jointly own purchased assets similar to the joint ownership model presently used? Is something different proposed?)

As per the May 7, 2022 email, it would be:

- a. Under the current term (through the end of 2025) you would pay under the same current model as is currently being charged.
- b. After the current term is over (starting January 1<sup>st</sup>, 2026) it would turn to a fire model, not unlike Minnetonka Beach which is more of a call volume average charge.
- c. We would look for a minimum of a 10-year fire contract with a 10-year renewal with 3 years notice to terminate after the original 1st 10 years.
- d. Long Lake would have no ownership interest in any department assets. Long Lake would be a contract city only and would not be required to pay a percentage of the purchase. They would be a contracted rate for service.